

REMARKS

The above-identified patent application has been amended and reconsideration and re-examination are respectfully requested in accordance with the provisions of 37 CFR 1.116(a).

The examiner, applicant and the undersigned conducted a telephonic interview on Wednesday, February 06, 2002. The claims that were discussed were claims, 33, 1, 7, 41 and 42. Applicant pointed out elements of the claims that distinguished the claims from Wagner and Mori. For example, applicant pointed out that "exposure time", "predefined relative indications" and relative price and price improvement were features that are neither described nor suggested by the combination of references. Applicant also discussed the concept of a response. Applicant offered to amend claims 41 and 59 to include the limitation of claims 42 and 61, respectively. On the above basis, the examiner generally agreed with the distinctions, and pending an additional search would consider allowing the claims.

The Examiner rejected claim 33 under 35 U.S.C. 102 as being unpatentable over Wagner. Claim 33 recites that: "the orders specify an exposure time for which the order is displayed for responses."

This feature is neither described nor suggested in Wagner. Wagner's time stamping of orders (FIG. 5 item 148, col. 10 lines 16-22 col. 22, lines 27-31) or time order (col. 13, line 45) are not the same as an exposure time interval for which the order can exist to receive responses. The open order queue of Wagner FIG. 5 likewise neither describes nor suggests orders that specify an exposure time for which the order is displayed for responses. Additionally, Applicant directs the Examiner's attention to column 13, line 63 to column 14, line 10 where Wagner describes the processing for a conditional order other than a fill or kill order which the so-called time order would fall into. Wagner describes this processing as follows:

If the signal on line 232 from FIG. 7 is a conditional order other than a "fill or kill" order it is coupled to open order queue 334. That memory produces an output on line 336 which is time stamped at unit 338 and stored in master trade file 330. In addition, that information is coupled from time stamp unit 338 on line 340 to the matched trade information circuit 274 and order confirmation circuit 266 for processing as described earlier with relation to FIG. 8. Open order queue 334 also produces an output on line

342 to decision unit 344 to see if the conditions are satisfied. If they are not, they are returned through line 346 to open order queue 334 for reprocessing in an attempt to satisfy the condition. If and when the condition is satisfied, the output of circuit 344 on line 348 is coupled to the match decision circuit 248 in FIG. 8 for processing as described previously.

Wagner thus, uses the open order queue 334 to produce an output on line 342 to decision unit 344 to see if the conditions (e.g., the time order) are satisfied. If they are not, they (the orders) are returned to open order queue 334 for reprocessing in an attempt to satisfy the condition. Accordingly, the time order element of Wagner does not describe or suggest, an arrangement where an order has a time condition over which the order is displayed for responses.

Therefore, claim 33 is neither described nor suggested by Wagner.

The Examiner rejected claims 1-20, 22, 24-32, 34-49, 50-55, and 57-64 under 35 U.S.C. 103(a) as being unpatentable over Wagner in view of Mori et al.

Applicant's claim 1 is distinct over Wagner taken separately or in combination with Mori. Applicant's claim 1 distinguishes over Wagner since Wagner does not describe or suggest entering an order... specifying an exposure time for which the order can be displayed for responses. This feature of claim 1 is not described by Wagner generally for the reasons discussed above in conjunction with claim 33. Applicant's claim 1 also recites that a response specifies a relative price with price improvement with the relative price being relative to a generally accepted indicator of a prevailing market price. This feature of claim 1 is also neither described nor suggested by Wagner or Mori.

The Examiner admits that Wagner does not explicitly disclose a relative price with price improvement and relies upon Mori for teaching this feature. The Examiner relies upon the "highest possible price in competition" (Page 4 of Office Action) in Mori. Applicant submits that the Mori feature does not suggest the action of entering a response, the response specifying a relative price with price improvement with the relative price being relative to a generally accepted indicator of a prevailing market price. Mori's feature describes nothing more than processing to a maximum price. Mori does not describe a response specifying a relative price with a price improvement, which is relative to a general indicator of prevailing market price.

Mori has not described a general indicator of prevailing market price, a relative price and a price improvement. Mori's maximum price is not a price improvement.

Furthermore, Applicant submits that there is no motivation to combine the teachings of Wagner with Mori and to use Mori's teaching to modify the Wagner bidding process.

The Examiner contends that it would have been obvious to one of ordinary skill in the art... "to modify Mori's teaching of a predetermined price limitation to Wagner's bidding price to include a price improvement criteria which provides the relative price being relative to a generally accepted indicator of a prevailing market price for the benefit of satisfying any predetermined criteria set by the sellers." Applicant considers this motivation to be insufficient to suggest the combination of Wagner and Mori.

The Examiner implies that it is required to modify Mori. However, the Examiner has proffered no reasons or basis upon which to modify Mori. Secondly, the Examiner contends that the combination of Mori's modified teaching to Wagner would be for the benefit of satisfying any predetermined criteria set by the sellers. However, no such need for satisfying any criteria set by sellers is found in either the Wagner or Mori reference, nor is it seen how such criteria is relevant to any of the teaching of these references. Therefore, it is submitted that there is no suggestion to combine these references.

Therefore, it is submitted that Applicant's claim 1 is neither described nor suggested by Mori or by Wagner taken in combination with Mori.

Applicant's claims 2-6 and 10-13, which depend directly or indirectly from claim 1, are distinct over the references for at least the reasons discussed in conjunction with claim 1 and of record.

Applicant's claim 7 is distinct over the claims since neither Wagner nor Mori describe or suggest the action of entering predefined relative indications that correspond to a willingness to respond to orders if an order for the product arrives for exposure. Nor do such references suggest that the predefined relative indications specify a price relative to an indicator of a current prevailing market price.

The Examiner admits that Wagner does not describe this arrangement and relies upon Mori's discussion of "maximum allowable price" at column 6, lines 10-24. However, Applicant submits that these teachings of Mori also do not describe the elements of claim 7. Mori does not

describe a predefined relative indication, which corresponds to a willingness to respond to orders nor an response which specifies a price relative to an indicator of a prevailing market price.

Therefore, claim 7 is distinct over the references.

Applicant's claims 8 and 9 are distinguished over Mori for the reasons discussed in conjunction with base claim 7. Furthermore, there is no suggestion in either reference of the concept of a national best bid or offer price for a security. The Examiner takes the position this would be an obvious manner of design choice to modify the teachings of Wagner. Applicant disagrees. The Examiner set no basis to explain why a national best bid or offer is an obvious manner of design choice. Absent such a basis "design choice" is insufficient to support a combination of references for an obviousness-type rejection. Also, the Examiner's characterization that Applicant has not disclosed that the limitation solves any stated problem in a new or unexpected way... is inaccurate. Applicant has described in the specification that one of the features of the predefined relative indication and relative pricing is that a responder can set a relative price to provide price improvement relative to a prevailing price such as the national best bid or offer price. This provides a competitive price in relation to other reference prices. Customers or regulators can use this relative pricing to determine the extent to which the price provided has satisfied a broker's fiduciary or regulatory obligations of providing the best price possible in a multiple participant environment. This invention allows multiples parties to compete and respond to orders more quickly and on a continuous basis. Therefore, this rejection is improper.

Applicant's claim 14 is distinct over the references since the references neither describe nor suggest an order specifying a minimal acceptable amount of price improvement nor the concept of exposure time as mentioned above with regard to Applicant's claim 1. With respect to the aspect of price improvement, the Examiner admits that Wagner does not disclose such an arrangement and relies upon Mori's testing bid process described above. Again, however, as Applicant has argued previously, Mori also does not describe a price improvement mechanism and thus claim 14 is distinct over the references.

Claims 15-23 are distinct over Wagner and Mori for the reasons discussed of record and for the reasons discussed in claim 14.

With respect to Applicant's claim 24, claim 24 is distinct over Wagner taken in combination with Mori since the references neither describe nor suggest an order specifying an amount of price improvement and exposure time and a response specifying a price improvement relative to the generally accepted indicator and matching the order and the response during the exposure time.

Claims 25-32, which depend directly or indirectly from claim 24, are distinct for the reasons discussed generally in conjunction with their base claim and for reasons discussed in conjunction with correspondingly similar claims above.

Independent claim 33 as discussed and dependent claims 34-39 are distinct over the references for the reasons also discussed above.

With respect to Applicant's claim 40, claim 40 is distinct for the reasons of record.

With respect to Applicant's claims 41-53, applicant has amended claim 41 to include the limitation of claim 42. These claims 41, and 43-53 are distinct for the reasons of record.

Claims 41 or 59 now recite a predefined relative indication, with the predefined relative indication remaining undisclosed as to the existence of the trading interest until matched with an order. The Examiner considers FIG. 5, item 48, column 12, lines 45-49 as teaching a predefined relative indication specifying a price relative to a current market price. However, no such teaching exists in Wagner. Rather, this teaching only describes the concept of a market order, which is stored in a queue. The order is stored in a queue until a matching order is found. These teachings do not correspond to a predefined relative indication that specifies a price relative to a current price; that allows trading interest to remain undisclosed as to existence until matched with an order (claim 41); that allows matching of an order with a predefined relative indication in accordance with exposure time specified by the order (claim 45); or entering a response specifying a price which can be relative or fixed, or entering an order that may have a condition seeking a relative price improvement relative to a generally accepted indicator of current prevailing market price (claim 48). Similar arguments apply to claims 60-63.

Applicant's remaining claims 55-64 are distinct over the references for the reasons also discussed of record. In addition, these claims are distinct for the reasons discussed above since the references neither describe nor suggest features of the invention such as a condition that seeks a specific minimum price improvement relative to a generally accepted indicator of a

current prevailing market price and exposure time as recited in claim 55, for example, or receiving an order specifying a condition that seeks a minimum acceptable relative price improvement exposure time as recited in claim 64.

The Examiner rejected claims 21 under 35 U.S.C. 103 (a) as being unpatentable over Wagner and Mori in view of Lupien.

Applicant submits that these claims are distinct over these references for the reasons discussed in the prior response.

The Examiner rejected claims 23 and 56 under 35 U.S.C. 103(a) as being unpatentable over Wagner in view of Silverman.

Applicant submits that these claims are also distinct over the references for the reasons discussed in conjunction with the prior response.

In view of the above amendment and remarks, it is submitted that claims 1-64 are distinct over the art of record.

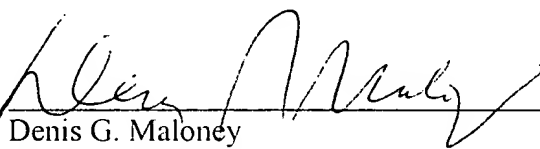
Attached is a marked-up version of the changes being made by the current amendment.

Applicant asks that all claims be allowed. Please apply any other charges or credits to Deposit Account No. 06-1050.

Respectfully submitted,

Date: _____

2/21/02



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Version with markings to show changes made

In the claims:

Claims 41 and 59 were amended, as follows

(Amended) 41. A method of auctioning a product, said method comprising:

entering a pre-defined relative indication that corresponds to a willingness to buy or sell the product with the pre-defined relative indication specifying a price relative to a current market price, with the predefined relative indication remaining undisclosed as to the existence of the trading interest until matched with an order.

(Amended) 59. A computer program product residing on a computer readable medium for auctioning a product, comprising instructions for causing a computer:

store a pre-defined relative indication that corresponds to a willingness to buy or sell the product with the pre-defined relative indication specifying a price relative to a current market price and, with the predefined relative indication remaining undisclosed as to the existence of the trading interest until matched with an order;

receive an order for a product, the order specifying a price which can be a relative price, a market price or a fixed price, and specifying a quantity; and

match the order with the predefined relative indication in accordance with a price specified by the order.